

RECORDATION NO. ....

8103-<sup>C</sup>

Filed & Recorded

NOV 5 1975-12 45 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT No. 1 dated as of July 15, 1975 (hereinafter called this Assignment), by and between THE CONNECTICUT BANK AND TRUST COMPANY (hereinafter called the Lessor or the Vendee) as Trustee under Owner Trust Agreement No. 1 dated as of the date hereof (hereinafter called the Trust Agreement) with FIRST NATIONAL BANK OF AKRON (hereinafter called the Beneficiary), and GIRARD TRUST BANK, a Pennsylvania banking corporation, not in its individual capacity but as Agent (hereinafter called the Vendor) under a Participation Agreement dated as of the date hereof.

WHEREAS the Vendee is entering into a Conditional Sale Agreement dated as of the date hereof (hereinafter called the Security Documentation) with Bethlehem Steel Corporation (hereinafter called the Builder), providing for the sale to the Vendee of such units of railroad equipment (hereinafter called the Units) described in the Annexes thereto as are delivered to and accepted by the Vendee thereunder;

WHEREAS the Lessor and Indiana & Michigan Electric Company (hereinafter called the Lessee) have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease), providing for the leasing by the Lessor to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Lessor under the Security Documentation and as an inducement to the Vendor to invest in the Conditional Sale Indebtedness (as that term is defined in the Security Documentation), the Lessor agrees to assign for security purposes its rights in, to and under the Lease to the Vendor;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter set forth to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor as Vendee under the Security Documentation, all the Lessor's right, title and interest, powers, privileges, and other benefits

[illegible]

under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called the Payments), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Vendor will apply all such Payments, other than Payments with respect to sums payable to the Owner Trustee or the Beneficiary pursuant to the third paragraph of Section 9 of the Lease (such Payments being hereinafter called Excepted Payments) to satisfy the obligations of the Lessor under the Security Documentation, and to provide for the payments required to be made by the Vendee pursuant to Paragraph 9 of the Participation Agreement under which the Vendor is acting as agent, and, so long as no event of default or event which with the lapse of time and/or demand provided for in the Security Documentation could constitute an event of default thereunder, shall have occurred and be continuing, any balance shall be paid to the Lessor, or such other person as the Lessor shall have indicated in writing on the same date such Payment is applied to satisfy such obligations of the Lessor, in immediately available funds to the Lessor as soon as such funds are collected from the Lessee at such address as may be specified to the Vendor in writing, and such balance shall be retained by the Lessor. The Vendor agrees to pay to the Lessor in immediately available funds all Excepted Payments as soon as such Excepted Payments are collected from the Lessee at such address as may be specified to the Vendor in writing. If the Vendor shall not receive any rental payment under the first paragraph of § 3 of the Lease when due, the Vendor shall notify the Lessor at the address set forth in the

Lease; provided, however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the Security Documentation.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Vendor.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void. At the Lessor's sole cost and expense, the Lessor will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of the Lessor under the Lease.

4. The Lessor does hereby irrevocably constitute the Vendor the Lessor's true and lawful attorney, with full power (in the name of the Lessor, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all

sums due from the Lessor under the Security Documentation and the Participation Agreement, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor as Trustee under the Trust Agreement.

6. The Lessor will pay and discharge any and all claims, liens, charges or security interests (other than those created by the Security Documentation) on the Lease or the Equipment or the rentals or other payments due or to become due under the Lease claimed by any party from, through or under the Lessor, or its successors and assigns (other than the Vendor), not arising out of the transactions contemplated by the Security Documentation or the Lease (but including tax liens arising out of the receipt of the income and proceeds from the Units) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect such interests of the Vendor.

7. The Lessor will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit, and record (and will refile, reregister, rerecord, or redeposit whenever required) any and all further instruments to its knowledge required by law or reasonably requested by the Vendor in order to confirm or further assure the interest of the Vendor hereunder.

8. The Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder. Any such assignment does not increase the Lessor's duties or obligations.

9. This Assignment shall be governed by the laws of the State of Connecticut, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor at its address set forth in Article 20 of the Security Documentation, or at such other address as the Vendor shall designate.

11. The Vendor hereby agrees with the Lessor that the Vendor will not, so long as an event of default under the Security Documentation has not occurred and is not then continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Lessor to the Vendor by this Assignment and which are for the sole benefit of the Lessor, without the prior consent of the Lessor.

12. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each of and all the representations, covenants, undertakings and agreements herein made on the part of the Lessor are made and intended not as personal representations, covenants, undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding said trust company personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Assignment is executed and delivered by said trust company not in its own right but solely in the exercise of the powers expressly conferred on it as trustee under the Trust Agreement; and except in the case of negligence or wilful misconduct, no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said trust company or the Beneficiary on account of this Assignment or on account of any representations, covenants, undertakings or agreements of the Lessor either expressed or implied, all such personal liability, if any, being expressly waived and released by the other party hereto. The provisions of this Paragraph shall inure to the benefit of any successor trustee under the Trust Agreement.

IN WITNESS WHEREOF, the parties hereto have caused

this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

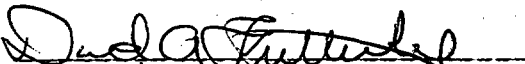
THE CONNECTICUT BANK AND TRUST  
COMPANY, as Trustee,

by

  
Vice President

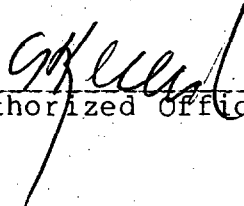
[Corporate Seal]

Attest:

  
Assistant Secretary

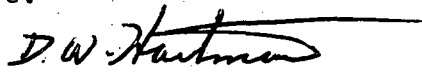
GIRARD TRUST BANK, not in its  
individual capacity, but solely as  
Agent,

by

  
Authorized Officer

[Corporate Seal]

Attest:

  
Authorized Officer

STATE OF CONNECTICUT,)

) SS.:

COUNTY OF HARTFORD, )

On this 3rd day of November, 1975, before me personally appeared F. W. KAWAM, to me

**F. W. KAWAM**

, to me

personally known, who, being by me duly sworn, says that he is a Vice President of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said bank and that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Rita C. Michaud

Notary Public

[Notarial Seal]

My Commission expires 3-31-78



COMMONWEALTH OF PENNSYLVANIA, )  
 ) SS.:  
COUNTY OF PHILADELPHIA, )

On this 31st day of Oct. 1975, before me personally appeared S. H. KELLER, JR., to me personally known, who, being by me duly sworn, says that he is <sup>CORPORATE TRUST OFFICER</sup> of GIRARD TRUST BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said bank and that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Catherine Passero  
Notary Public

[Notarial Seal]

My Commission expires

CATHERINE PASSERO  
Notary Public, Philadelphia, Philadelphia Co.  
My Commission Expires August 30, 1976

CONSENT AND AGREEMENT NO. 1

The undersigned, INDIANA & MICHIGAN ELECTRIC COMPANY, an Indiana corporation (hereinafter called the Lessee), the lessee named in the Lease (hereinafter called the Lease) referred to in the foregoing Assignment of Lease and Agreement (hereinafter called the Lease Assignment), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease (which moneys are hereinafter called the Payments) due and to become due under the Lease or otherwise in respect of the Units leased thereunder, directly to Girard Trust Bank, as Agent (hereinafter called the Vendor), the assignee named in the Lease Assignment, at Broad and Chestnut Streets, Philadelphia, Pennsylvania 19101, attention of Corporate Trust Department, (or at such other address as may be furnished in writing to the Lessee by the Vendor);

(2) the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Vendor were named therein as the Lessor;

(3) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise, except as provided in Section 12 of the Lease; and

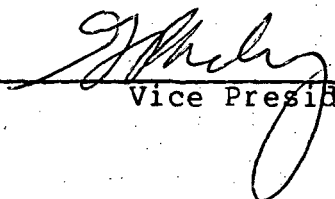
(4) except as otherwise permitted therein, the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission or which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of Indiana and, for

all purposes, shall be construed in accordance with the laws of said state.

INDIANA & MICHIGAN ELECTRIC COMPANY,  
as Lessee,

by

  
Vice President

[Corporate Seal]

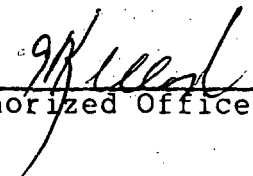
Attest:

  
Assistant Secretary

The foregoing Consent and Agreement is hereby accepted, as of the 15th day of July 1975.

GIRARD TRUST BANK, not in its  
individual capacity but solely  
as Agent,

by

  
Authorized Officer